

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Conference on Enforcement Policy

Docket No. AD07-13-000

THIRD NOTICE OF CONFERENCE

(November 2, 2007)

As announced in the “First Notice of Conference on Enforcement,” issued on July 11, 2007, the Federal Energy Regulatory Commission (Commission) will hold a conference on November 16, 2007, to examine the implementation of its enforcement authority as expanded by the Energy Policy Act of 2005 (EPAcT 2005).¹ The conference will be held in the Commission Meeting Room at the Commission’s headquarters located at 888 First Street, N.E., Washington, D.C. 20426. Hearing Room 1 will be available for over flow.

As stated in the previous notices, the purpose of the conference is to assess the enforcement program implemented by the Commission during the first two years after passage of EPAcT 2005 primarily as it pertains to the additional subject matter authority and the expanded civil penalty authority in Part II of the Federal Power Act² and the Natural Gas Act.³ Standards of conduct, market monitoring, transparency, and market manipulation will not be discussed as they are involved in or implicated by pending Commission proceedings. The Commission will accept comments filed within 30 days after the conference.

As indicated in the Second Notice of Conference, issued on October 4, 2007 (Second Notice), this further notice sets forth the final conference format and schedule. The agenda has changed slightly from the concept described in the Second Notice.⁴ To begin the conference, we have added a presentation by the staff from the Office of Enforcement. This presentation will present an overview of the Commission’s actions and related enforcement activities during the first two years of EPAcT Enforcement.

¹ Pub. L. No. 109-58, 119 Stat. 594 (2005).

² 16 U.S.C. §§ 791a *et seq.* (2000).

³ 15 U.S.C. §§ 717 *et seq.* (2000).

⁴ See Attached agenda.

Following the staff panel, the second panel, consisting of former members of the Commission, will focus on an overview of enforcement from a broad policy perspective as well as from their perspectives of advising clients on how to comply with the Commission's rules and regulations. The discussion will examine how the Commission can best achieve compliance with regulatory requirements, and how it evaluates enforcement cases, including self-reported violations and matters that result in no penalty, and how companies subject to investigation can best respond to the Commission.

The third panel will address similar topics, but from the more specific perspective of energy practitioners. Since the key goal of enforcement is to encourage compliance, the panel will discuss the challenges of working with clients to comply with the Commission's regulations. In that regard, the panel will include a presentation from a representative of a company that, pursuant to a stipulation and agreement with Commission staff, developed and implemented a "best in class" model for regulatory compliance.⁵ In addition, the Commission would like to hear how practitioners counsel clients on how to respond to the Commission's enforcement staff during an investigation, including the factors weighed in the decision to self report.

The fourth panel will focus on reliability issues and includes representatives from the Electric Reliability Organization (the North American Electric Reliability Corporation), regional entities, and a utility. This discussion will look at how the Regional Entities and the Electric Reliability Organization are processing self-reported violations and other compliance matters, as well as provide a utility perspective regarding compliance with the new mandatory reliability standards. The panel will address emerging practical issues of enforcement as well as the Commission's own authority to enforce mandatory reliability standards and its interest in the most effective way to achieve compliance with the standards.

As previously noted, all interested persons are invited to attend the conference, and there is no registration fee to attend. The conference will not be transcribed but will be web cast. A free web cast of this event will be available through www.ferc.gov. Anyone with Internet access who desires to view this event can do so by navigating to www.ferc.gov's Calendar of Events and locating this event in the Calendar. The event will contain a link to its web cast. The Capitol Connection provides technical support for the web casts and offers access to the meeting via phone bridge for a fee. If you have any questions, you may visit www.CapitolConnection.org or contact Danelle Perkowski or David Reininger at 703-993-3100.

⁵ Coral Energy Resources, L.P., 110 FERC ¶ 61,205, at P14 (2005).

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Kimberly D. Bose,
Secretary.

AGENDA

9:00 – 9:15 Opening Remarks by Members of the Commission

9:15 – 9:45 Panel I: *The First Two Years of EPCRA Enforcement*

Susan J. Court, Director, Office of Enforcement
Anna V. Cochrane, Deputy Director, Office of Enforcement
Robert Pease, Director, Division of Investigations
Lee Ann Watson, Deputy Director, Division of Investigations
Stephen J. Harvey, Director, Division of Energy Market Oversight
Bryan K. Craig, Director, Division of Audits

9:45 – 11:00 Panel II: *Enforcement Policy – Broad Policy Perspective*

William L. Massey, Covington and Burling LLP
Clifford (Mike) M. Naeve, Skadden, Arps, Slate, Meagher & Flom
Donald F. Santa, President, Interstate Natural Gas Association of America

11:00 – 11:10 Break

11:10 – 12:45 Panel III: *Enforcement Policy – the Practitioners' View*

Mark Hanafin, CEO, Shell Energy North America
Barbara K. Heffernan, Schiff Hardin LLP
Paul Korman, Van Ness Feldman
Richard Meyer, Senior Regulatory Counsel, National Rural Electric
Cooperative Association
Mark Perlis, Dickstein Shapiro LLP
Andrea Wolfman, Thelen Reid Brown Raysman & Steiner LLP

12:45 – 1:45 Lunch Break

1:45 – 3:15 Panel IV: *Enforcement of Reliability Standards*

David W. Hilt, Vice President and Director of Compliance, North
American Electric Reliability Corporation
Louise McCarren, CEO, Western Electricity Coordinating Council
Raymond J. Palmieri, Vice President & Director - Compliance,
ReliabilityFirst Corporation
Robert S. (Scott) Henry, Vice President, Electric System Operations,
Duke Energy

3:15 – 3:30 Closing Remarks by Members of the Commission